



TENNESSEE

Real Estate Appraiser Report

Real Estate Appraiser Commission

Tennessee Department of Commerce & Insurance

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Chairman's Report

Lewis S. Pipkin



As my term as chairman of the Real Estate Appraiser Commission draws to a close, I express my appreciation to the administrative director, Sandy Moore, and her staff for their efforts during the past year. Special thanks are due Alison Zane, staff attorney, for her work during the past year. I believe that progress has been made although there are still significant issues to be resolved within the coming year. During the past year, the Commission had a field review by the Appraisal Subcommittee of the Federal Financial Institutions Examination Council and has responded to several issues raised as a result of that review. The Commission is in the process of adopting a schedule of Commission actions in response to violations of USPAP by appraisers. Adoption of this schedule of violations will specify suggested civil penalties or other actions for the Commission in order to ensure fair and equitable treatment on each complaint. The Commission has adopted additional measures to ensure that all appraisers are treated on a fair and equitable basis. The Commission instituted procedures to insure that when a complaint is filed, sufficient information is placed in the appraiser's file to reflect any actions taken by the Commission.

When a complaint is filed, the complaint is referred to the legal counsel, and then the case (including the complaint, the appraisal, the respondent's response, and the work file) is distributed to a Commission member to review for compliance with USPAP and supplemental standards. A written report is submitted by the Commission member stating in their opinion what violations, if any, of USPAP have occurred. If no violations of USPAP have occurred, the complaint is dismissed, and the file is closed. In the event violations of USPAP have

occurred, the file then comes before the full Commission for appropriate action. The Commission has also considered revisions of the current policies which would incorporate suggestions of the Appraisal Subcommittee.

The rules hearing was completed, and the suggested changes in rules have been approved by the Commission and are currently in the office of the State Attorney General for their review and approval.

The Commission has received numerous complaints filed by Fannie Mae or other agencies involving the difference in the opinion of value on a residential appraisal resulting from a field review appraisal obtained by the agency. These complaints are often submitted based on statements made by the review appraiser. On several occasions the Commission has noted violations of USPAP not only by the original appraisal but also by the field review appraiser. In future complaints the Commission will consider not only the complaint against the appraiser making the original appraisal but may also originate a complaint and consider action against the field review appraiser for any violations of USPAP in the review appraisal.

The Commission has received complaints on residential appraisals where the complainant alleges that the appraiser has not complied with supplemental standards required of the appraiser by the client. Typically, these involve compliance with the valuation conditions on appraisals made for the U.S. Department of Housing and Urban Development or the "VC" portion of the appraisal. Failure to complete supplemental standards applicable to assignments prepared for specific purposes or property types as issued by governmental agencies, governmental sponsored enterprises, or other entities as established public policy and required of the appraiser is a violation of USPAP. An appraiser who does not complete an assignment in compliance with agreed supplemental standards is

in violation of the ethics rule or the competency rule.

Each appraiser should be aware that Standards Rule 1-5 of USPAP requires that the appraiser in developing a market value opinion must, if such information is available to the appraiser in the normal course of business, (a) analyze all agreements of sale, options, or listings of the subject property current as of the effective date of the appraisal; and (b) analyze all sales of the subject property that occurred within the three (3) years prior to the effective date of the appraisal.

Standards Rule 1-6 in the 2004 edition of USPAP also requires that in developing a real property appraisal, an appraiser must: (a) reconcile the quality and quantity of data available and analyzed within the approaches used; and (b) reconcile the applicability or suitability of the approaches used to arrive at the value conclusion(s). This requires that the appraiser must reconcile the approaches used to arrive at the value conclusion. Although a brief statement may be sufficient in a residential appraisal, a more detailed analysis should be included in an appraisal of commercial or industrial property.

I am pleased and honored to have served as Chairman of the Real Estate Appraiser Commission with eight other members all dedicated not only to protecting the public's welfare but also to equitable and fair treatment to each person coming before the Commission.

USPAP UPDATE-2004

Mark G. Johnstone

Every year during the 4th quarter, I send my request to The Appraisal Foundation for a copy of the upcoming year's Uniform Standards of Professional Appraisal Practice (USPAP) and Frequently Asked Questions. It's always the highlight of my Christmas and New Years Holidays, and they make nice presents for your

friends. However, on a serious note, USPAP is the standard and guideline for which we, as appraisers, must provide our services. It is incumbent on us to be familiar with the changes, which like death and taxes, come every year and are effective January 1 of the coming year. A standard practice in my office is for my trainees and me to review the changes for the coming year and ensure that they are in place by January 1. These are easy to find and are summarized in the front of 2004 USPAP on page VII.

In highlighting the key features of the 2004 USPAP, changes were made to the following sections:

In the first section prior to the Standards Rules and Advisory Opinions, the definitions of Investment Analysis and Market Analysis were deleted. The definition of Bias was also revised. The Preamble was revised to enhance its clarity, and both the Management and Record Keeping sections of the Ethics Rule were edited.

Standards Rules 2-2(c) (ix) and 8-2(c) (ix) were revised. Language was revised that indicated the review of a Restricted Use Appraisal Report in compliance with Standard 3 is not possible without the reviewer having the benefit of the information retained in the workfile was removed.

Standards Rules 10-2(b) (vii) and 10-3 were revised however; they typically do not apply to most property appraisers as it is for Business Appraisal Reporting. These revisions relate to the appraiser's certification and disclosure of the nature of professional assistance to make them more consistent with parallel Standards Rules.

Advisory Opinion 10 (AO-10) titled "The Appraiser-Client Relationship" has been retired. Many of these issues were incorporated into Advisory Opinions 25, 26, and 27.

Four new advisory opinions were added this year. The first is Advisory Opinion 24. This new opinion addresses the concept of "Normal Course of Business" that is used in Standards Rules 1-5 and 7-5. Tests of acceptability would include expectations of market participants and actions of peers. It would not be work habits of an individual appraiser.

The second is Advisory Opinion 25 and is titled "Clarification of the Client in a Federally Regulated Transaction". It addresses whether an appraiser has an obligation to ensure that his or her services are directly engaged by a federally insured depository institution.

The third is Advisory Opinion 26 and is titled "Readdressing (Transferring) a

Report to Another Party." Since my tenure began on the Tennessee Real Estate Appraiser Commission, this is the topic upon which I have fielded more calls or have been questioned the most about seminars. It addresses the practice of altering a report to indicate that a new recipient is the client when it was originally completed for another party. Simply put, USPAP does not allow readdressing a report to a new client after the assignment has been completed. Why not you ask? The main drivers of the scope of work decisions are: 1) Intended Use 2) Intended Users and 3) Purpose. These must be identified at the beginning to ensure the scope of work is adequate. What options do appraisers have when asked to transfer a report? Engage in a new assignment.

The fourth is Advisory Opinion 27 and is titled "Appraising the Same Property for a New Client." It addresses the practice of appraising a property for a party after appraising it for another party. Items to consider are confidentiality, obtaining a release, and appraiser-client relationship. Clarify items that are of a confidential nature, i.e., information identified by the client as confidential and not available from any other source or is classified confidential by applicable law or regulation. If you have a new client, then you must have a new assignment. You cannot transfer reports and in the real world you do not have to start from scratch (i.e., re-inspect, retrospective value, etc.). The scope of work, fees and charges are all business decisions. No written release is necessary; however it may be a good business practice.

The Glossary was removed from USPAP publication and various administrative edits were made to improve consistency. This concludes the major changes to USPAP in 2004.

One more item not new, but worth reviewing is the Recertification of Value vs. Update. Many time clients ask for a "Recert" when they really need an "Update". This is detailed in Advisory Opinion 3. An "update" is not an extension of prior assignment; it is simply a new assignment. An "Update" does not require the involvement of the original client or the original appraiser. The same USPAP requirements that would apply to an appraisal assignment apply to an "Update" and must comply in development with Standard 1 and reporting with Standard 2. This does not mean you must start completely over. You may incorporate all or part of your previous analysis and all or part of your previous report if the assignment

involves the original appraiser's firm and the original intended users. Nothing prohibits you from using the term "Update" as long as you label the report correctly (i.e., Limited Appraisal/Restricted Use Appraisal Report).

On a final note, I would suggest reviewing the key features of the 2004 USPAP and spend 30 minutes reading the new Advisory Opinions 24, 25, 26, and 27 as well as reviewing Advisory Opinion 3. This will improve your comfort level when dealing with these issues on a daily basis and providing better service to your clients.

WHAT IS A COMP SEARCH?

Jerry Shelton

"Please comp this out and if it comps out then proceed with an appraisal. If not call me." Do you ever get a request similar to this? Several times a day I get a request similar to the one above. This request goes out to highly trained appraisers throughout the country. Outside of developments where there are "cookie cutter" houses a "comp search" would be very difficult at best. In many instances where there is no zoning, value ranges could be from a \$10,000 single wide manufactured home located next to a \$250,000 custom built house. Question. How can one do justice for the customer without inspecting the dwelling in question?

Most important is what about the credibility of the appraiser doing comp searches. The appraisal profession has undergone substantial changes since FIRREA was passed in 1989. Appraisers had to go back to school and pass an exam in order to get licenses to apply their practice. Yes, appraisers are professionals. When an appraiser gives out a comp search, he or she is offering an opinion of value. Even in giving a range of value, an appraisal is being done.

Please remember that when you do a "comp search", you have just done an appraisal. We all know that when an appraisal is done, a complete appraisal file is necessary in order to stay in compliance with USPAP.

It seems that when a comp search is done, a game is being performed. One in which a "target value" is being sought. Remember, when a target value rather than a supported opinion of value is done, some legal ramifications come into play.

NEW MEMBERS APPOINTED

Governor Phil Bredesen appointed three new members to the Commission last year. The appointments were all effective July 1, 2003 and their terms run through June 30, 2006. They have already become very active in working with the Commission.



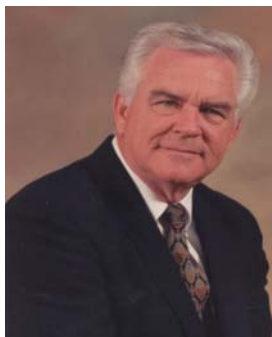
Mark Johnstone, Jackson, TN, was appointed as an appraiser member, Certified General Level from West Tennessee.

Mark holds the MAI designation with the Appraisal Institute and the CCIM designation with the Commercial Investment Real Estate Institute and is a Tennessee Certified General Real Estate Appraiser. Also an Affiliate Broker in Tennessee, he is the owner of Johnstone Group, Inc., a full service real estate consulting and appraisal firm located in Jackson. His area of expertise includes appraisals, research, litigation, developing, contracting, management, marketing and sales. He holds a B.S. Degree from University of Tennessee, Martin with a major in political science and minors in business administration and agricultural business. Mark grew up in Dyer, TN and graduated from Gibson County High School (1983).

He is an active member of the Memphis Chapter of the Appraisal Institute where he serves on the Government Relations Committee for Tennessee. He has also served on the Board of Directors for the Memphis Chapter. Mark has appeared as an expert witness for Federal, Circuit Courts, and the Land Commission in West and Middle Tennessee and Circuit Court in DeKalb County, Alabama. He also served on the Board of Directors for Opelika Downtown, Inc. in Opelika, Alabama. He also served on the Board of Directors for Opelika Downtown, Inc. in Opelika, Alabama and as a guest lecturer at Auburn Urban University.

A member of the First United Methodist Church in Jackson, he also serves as a County commissioner for the 9th District on the Madison County Commission. As a County

Commissioner, he is chairman of three committees: Property, Excess and Resale Property, and Legislative Resolutions. He also serves on the Board of Zoning Appeals and is former member of the Jackson Downtown Rotary. Mark enjoys spending time with his wife, Valerie and three children, Foster, Mary Parker, and Aline Wells by actively coaching youth soccer, basketball, Little League baseball, and fishing.



John B. Holsclaw, Sr. is a public member on the Commission and replaces Daryl Nelkin.

John is a lifelong resident of Carter County, located in Northeast Tennessee. The son of late Fred and Susan Holsclaw, John is the youngest of twelve children. He is a graduate of Elizabethton High School and attended the University of Tennessee and East Tennessee State University. He has been married 42 years to the former Donna Hendrix. He and Donna are the proud parents of three children: Dr. Tammy Jones, John Jr and Kimberly Buckner, and they have five grandchildren.

His former employment consisted of 16 years with Beaunit Fibers and 27 years as Assessor of Property for Carter County. He currently services as Vice-Chairman of the Economic Development Board of Carter County.

Hobbies include golf, hunting, and fishing. He also enjoys working with WBGJ as a play-by-play sport announcer for football and basketball. John and Donna are active members of the "C" Street Church of Christ where John serves as a deacon.



Carnell Scruggs has been licensed in Real Estate since 1978 and became a broker in 1985. With over 25 years experience in real estate brokerage and management business, he specializes in retail sales and leasing with an emphasis on tenant representation, site selection and property disposition.

A graduate of Tennessee State University, with advanced coursework at Columbia State University, Carnell Scruggs also completed coursework at the Tennessee Association of Realtors (TAR) Real Estate Instructors Training Institute. He obtained his Certified Commercial Investment Member (CCIM) designation and the Institute of Real Estate Management Certified Property Manager (CPM) designation in 2002. He is currently a member of the International Conference of Shopping Centers (ICSC), CCIM, and IREM. He serves on the State Environment and Conservation (Underground Storage Tanks) Board, participates on the State Government Relations Committee with ICSC in Nashville, Tennessee and is a past board member of Alive Hospice, Metropolitan Government Port Authority and numerous other boards and committees.

Carnell previously taught the Fundamentals of Real Estate with the Adult Education Program for the Metropolitan School System. In addition, earlier in his career, he managed a Housing Urban Development (HUD) property for three years on a contract basis. He also managed government Section 8 Housing, as well as inspected and appraised right of ways, easements and other properties that were acquired under condemnation for the Metropolitan Government Public Property division.

TOTAL NUMBER OF LICENSEES

Certified General	575
Certified Residential	783
Licensed	209
Inactive Status	89
Registered Trainees	557

RE-ADDRESSING, RE-ASSIGNING, RE-APPRAISING

To review more about these issues, please refer to our web site, www.state.tn.us/commerce/boards/treac under Current Issues.

John Bullington, Vice Chairman of the Commission, has prepared an article regarding these subjects.

APPRAISAL STANDARDS BOARD USPAP Q&A

Question: I have been told that since email is not secure, delivering reports to my clients by email violates the confidentiality requirements of USPAP. Does emailing a report violate USPAP?

Response: No. It is the opinion of the Appraisal Standards Board that sending reports via email does not violate the confidentiality requirements in USPAP.

In all assignments the appraiser and the client should agree to a delivery method, and should understand any security risks associated with the delivery method. Whether a report is sent by government mail service, private mail service, email, courier or some other mechanism, there is always some risk that the security of the original document may be compromised.

Question: A new state law requires all real estate appraisers in my area to regularly submit a log to the state appraiser board reporting the address of properties appraised along with the value opinion. Does this violate confidentiality requirements in USPAP?

Response: No. This does not violate USPAP.

The Confidentiality section of the ETHICS RULE states, in part:

*An appraiser must not disclose confidential information or assignment results prepared for a client to anyone other than the client and persons specifically authorized by the client; **state enforcement agencies and such third parties as may be authorized by due process of law;*** (bold added for emphasis)

Disclosure of assignment results to the state board, or to any other entity required by law, is specifically permitted.

Question: As a condition of engagement, a financial institution requires that I disclose any prior appraisals I have completed on the subject property. If I disclose that I have previously appraised the subject property, am I violating USPAP?

Response: No. Except as noted below, USPAP does not specifically prohibit the disclosure of the fact that a prior appraisal has been performed.

Disclosing the fact that you have previously appraised the property is

permitted except in the case when an appraiser has agreed to keep the mere occurrence of prior assignment confidential information.

There are some cases in which the appraiser is asked by the client not to reveal that he or she has appraised that particular property. In such cases, the fact that the appraiser previously appraised the property is confidential information.

If the occurrence of a prior appraisal is confidential, and disclosure of prior appraisals is a condition of a potential new assignment, the appraiser must turn down the new assignment because the appraiser could not make the requested disclosure.

Question: Standards Rule 1-3 begins by allowing departure, but then the word "must" precedes the two requirements. This situation also occurs in other Standards Rules (e.g., SR 7-3). In such cases, may I depart, or does the word "must" make these requirements binding?

Response: Yes, departure is allowed, subject to satisfying the conditions in the DEPARTURE RULE. All the Standards Rules that involve specific requirements and allow departure also include the word "must" before the list of requirements. This means that, unless departure is invoked, you must satisfy the requirement if it is applicable to the assignment.

When considering invoking the DEPARTURE RULE, the appraiser has a burden of proof to be sure the assignment results will still be credible for their intended use. The appraiser must also be prepared to support the decision to exclude any information or procedure that would appear relevant [see the Comment to Standards Rule 1-2(f)].

Question: A potential client has asked me to complete a form indicating what my appraisal fees would be for different assignments. The form asks me to indicate my appraisal fees according to appraised value, e.g. to list the fee for assignments with appraised values between \$100,000 and 299,000, \$300,000 to \$499,000, etc. Is it a violation of USPAP to quote fees in this manner?

Response: Yes, this is in violation of USPAP. Completing and submitting such a form to a potential client establishes a compensation arrangement for assignments that is contingent on the amount of the value opinion. This is prohibited by the Management section of the ETHICS RULE, which states, in part: *It is unethical for an appraiser to accept an assignment, or to have a compensation arrangement for an assignment, that is contingent on any of the following: 1. the reporting of a predetermined result (e.g., opinion of value). 2. a direction in assignment results that favors the cause of the client; 3. the amount of a value opinion; 4. the attainment of a stipulated result; or 5. the occurrence of a*

subsequent event directly related to the appraiser's opinions and specific to the assignment's purpose. (bold added for emphasis)

Question: I accept assignments from an Appraisal Management Company (AMC) which has informed me they are an authorized agent for the lenders they represent. The AMC does not want me to list their name as client, and asks that I only list the name of the lender they are representing. Since USPAP says the appraiser's client is the party who engages the appraiser, is it ethical to omit the AMC's name as the client in my reports?

Response: Yes. If the AMC is acting as a duly authorized agent for a lender, identifying only the lender's name as your client is acceptable.

Question: Recently I have considered maintaining only electronic workfiles (i.e. saving only electronic versions of my reports and supporting data, and scanning any paper documents used so that copies may be stored on electronic media). Is this prohibited by USPAP?

Response: No. There is nothing in USPAP that would prohibit an appraiser from maintaining only electronic versions of workfiles. The Record Keeping section of the ETHICS Rule states, in part: *The workfile must include:*

- *the name of the client and the identity, by name or type, of any other intended users;*
- *true copies of any written reports, documented on any type of media;*
- *summaries of any oral reports or testimony, or a transcript of testimony, including the appraiser's signed and dated certification; and*
- *all other data, information, and documentation necessary to support the appraiser's opinions and conclusions and to show compliance with this Rule and all other applicable Standards, or references to the location(s) of such other documentation.*

As long as an electronic workfile contained these items, it would be sufficient.

An appraiser must also be mindful of the requirement to have access to the workfile for the applicable required time period. The appraiser must ensure that the proper software is maintained to allow access to the electronic files.

For monthly updates on Q & A's, please go to the Appraisal Foundation web site: www.appraisalfoundation.org.

You may also order the 2004 Edition of Frequently Asked Questions.



DISCIPLINARY ACTIONS

H. Jeff Collins, CG-1400

Kodak, TN

Violations:

T.C.A. 62-39-317(a)

Failure to Notify of Address Change

Consent Order:

Civil Penalty \$100.00

Tom Lewis, CR-1417

Knoxville, TN

Violations:

T.C.A. §62-39-326 (4) (5), §62-39-329;
Rules 1255-5-.01 (1), (2)(a), (3), (6), (9);
Rule 1255-1.13(6)

An action or omission involving
dishonesty, fraud or misrepresentation;
USPAP Violations

Agreed Order:

Surrender of License

Thomas Farris, CR-2032

Horn Lake, MS

Violations:

T.C.A. 62-39-329; Rule 1255-5-.01 (1),
(2)(a), (3) and (9)
USPAP Violations

Final Order:

Civil Penalty \$1500.00 and 30-day
suspension.

Bobby Gibson, CR-795

Chattanooga, TN

Violations:

T.C.A. 62-39-326(4)

An action or omission involving
dishonesty, fraud or misrepresentation

Consent Order:

Civil Penalty \$500.00

Richard Howarth, CG-1054 (expired)

Germantown, TN

Violations:

T.C.A. 62-39-103(a)

Unlicensed Practice

Final Order:

Civil Penalty \$1000.00

James Kite, CG-785

Knoxville, TN

Violations:

T.C.A. 62-39-329

USPAP Violations

Consent Order:

Civil Penalty \$300.00

James P. Lee, LI-1261

Madisonville, TN

Violations:

T.C.A. 62-39-329

USPAP Violations

Consent Order:

Civil Penalty \$500.00

Lewis Holmes, CR-644

Knoxville, TN

Violations:

T.C.A. 62-39-329

USPAP Violations

Consent Order:

Civil Penalty \$300.00

James Davenport, CR-1312 and

Stephanie Davenport, TR-2292

Chatsworth, GA

Violations:

T.C.A. 62-39-329

USPAP Violations

Consent Order:

Civil Penalty \$2000.00

15 hr USPAP & Appraisal Principles

Michael Nichols, TR-3037

Paris, TN

Violations:

T.C.A. §62-39-103(a) 1255-1-.13(9)

Representation as a licensee

Consent Order:

Civil Penalty \$500

John Pinkston, CR-309

Cordova, TN

Violations:

T.C.A. §62-39-329

USPAP Violations

Consent Order:

Civil Penalty \$500.00

Cookie Russell

Harrogate, TN

Violations:

T.C.A. §62-39-103(a)

Unlicensed practice

Consent Order:

Civil Penalty \$1000.00

Patricia Smith, CG-805

Nashville, TN

Violations:

T.C.A. §62-39-329

USPAP Violations

Agreed Order:

Civil Penalty \$500.00

Deborah Wickliffe, CR-1360

Franklin, TN

Violations:

T.C.A. §62-39-329, §62-39-326(4) and
1255-5-.01(3)

An action or omission involving
dishonesty, fraud or misrepresentation;
USPAP Violations

Consent Order:

Civil Penalty \$7,000.00; Cease & Desist

J. Eric Wise, CR-3012

Greenville, MS

Violations:

T.C.A. §62-39-329

USPAP Violations

Consent Order:

Civil Penalty \$1,000.00

During 2003, there were 83 complaints received. There were 16 Letters of Caution or Warning issued. Over \$25,000 in civil penalties was assessed.

This year, two formal hearings have been held, and more are being scheduled. The Commission's goal is to process complaints in a timely manner and take deliberate steps to proceed with more serious cases.

FIVE-YEAR USPAP

Any licensee who was due to take the five-year USPAP course by 2002 but did not take it until a later date will be required to sign a Consent Order and pay the \$100 civil penalty.

Licensees may now take the seven (7) hour USPAP date course once each renewal period.

TRAINEE INFORMATION

1. A registered trainee may take the license or certified residential examination prior to receiving all of the experience if:

a) all of the education has been completed for the license or certified residential level (cannot take exam for certified general until approved by the Commission);

b) the 4 page trainee application has been fully completed;

c) the \$50 fee is submitted.

2. If a trainee is approved to take the examination prior to receiving all of the experience, licensure or certification must occur within twenty-four (24) months of receiving approval from the Commission.

3. A trainee must submit the property inspection affidavit after reaching the 500 hour experience level before going on property inspections alone.

4. It is optional, but recommended, that the trainee submit the experience log at that point. The experience will be audited, and the trainee invited to attend a Commission meeting to review that experience.

5. All of the education and experience must be obtained and logged upon applying for licensure or certification prior to the experience being audited for review by the Commission.

6. Any application for upgrade must be in the Commission office at least thirty (30) days prior to the next meeting to assure being placed on the agenda for that meeting.

COMPLAINTS

RULES

The proposed rules should be effective by late summer. To review those rules, please visit the web site www.state.tn.us/commerce/boards/treac under Current Issues.

COMMISSION POLICIES

Below is a revised list of Commission policies. These may also be found on our web site.

1. A guest registry will be available at all meetings. Guests will be asked to sign the registry upon entering the meeting room.
2. The Tennessee Real Estate Commission strictly construes Rules 1255-2-.03 to mean that a course "taken more than once" shall mean a course of the same name and subject matter taken more than once, and a "repeated course" shall mean a course including substantially similar subject matter, whether or not the course has the same name.
3. The Commission may include in a Consent Order to a licensee who has violated USPAP, that the licensee retake the Standards course from a different course provider and/or submit a log of appraisal work. the Commission may grant the licensee continuing education credit for retaking the Standards course.
4. The Commission may grant a maximum of fifty percent (50%) of the required continuing education hours from teaching a course or courses. However, the Commission shall only grant a license credit once for the same course taught more than once during the licensee's renewal period.
5. In the event that there is a pending complaint against a licensee, a new application made by that licensee or in connection with that licensee shall not be processed until such time as the complaint has been reviewed by the Commission.
6. The Commission member who initially reviews a complaint will assist the staff attorney in making an initial determination as to the severity of any violation. If the complaint has merit and any noted violation is minor in nature (suspension, downgrade, or revocation may not be contemplated), an informal conference may be convened. Pursuant to the Uniform Administrative Procedures Act, suspensions, downgrade, revocation, or civil penalties may not be ordered after an informal conference unless agreed to by the Respondent. All Respondents attending an informal conference shall sign the attached acknowledgement of their rights in the matter prior to participating in the conference. This policy

shall not prevent the Commission from directing any lesser disposition, including closure, dismissal, or letter of instruction, caution, warning, or reprimand.

7. As a prerequisite to renewal of a reciprocal real estate appraiser license or certificate, the nonresident license or certificate holder shall submit a notarized statement, signed by the appraiser, indicating that he or she is in good standing in the jurisdiction of resident or reciprocal licensure or certification. The nonresident appraiser should also submit to the Commission a copy of his or her renewed and/or current license by the resident or reciprocal licensure or certification. The above shall constitute proof that the license or certificate holder has met all continuing education requirements in the resident or reciprocal jurisdiction. Such proof will be sufficient to show that the appraiser has sufficiently complied with all Tennessee continuing education requirements.

8. The trainee shall complete at least fifty percent (50%) of the work, including the valuation process, associated with the appraisal in order to obtain experience credit for the report.

9. Prior to approval of appraisal experience, all applicants for initial or upgraded licensure or certification must attend an informal experience review with one or more board members of the Commission to ensure compliance with the Uniform Standards of Professional Appraisal Practice and obtain any other necessary information not apparent from the application. Any trainee, after completing 500 hours of experience, may request an additional preliminary interview to discuss his or her experience.

10. Generally, all complaints considered by the Commission shall be made in writing and shall be signed by the Complainant. However, the Commission may consider anonymous complaints provided that they are accompanied by information which the Commission may rely upon as a factual basis of the complaint. Such information may include a copy of the subject appraisal report and/or comments indicating the alleged violations.

11. Pursuant to the Uniform Standards of Professional Appraisal Practice, Ethics Rule, adopted by the Commission (Rule 1255-5-.01 [UNIFORM STANDARDS OF APPRAISAL PRACTICE]), a real estate appraiser must perform all assignments with impartiality, objectivity, and independence, and without accommodation of personal interests. In furtherance of this requirement, when in public service as a member of the Tennessee Real Estate Appraiser Commission, the Commission member

shall not participate in considerations of actions with respect to services provided by the Commission member, or a member of his or her firm in private professional practices, nor shall the Commission member review or otherwise participate in considerations or actions with respect to services provided for any federal, state, or local governmental agency action if the Commission member has or intends to provide appraisal services in connection with such action.

12. The Commission shall notify any applicant in writing within ninety (90) days after receiving the application of the status of that application, e.g., whether the application has been approved, denied, recommended for remedial education, requires additional information or requires some additional time to be reviewed and the reason(s) for the delay.

13. Fourteen (14) hours of continuing education may be granted for distance (Internet) education for each licensee renewal period. These courses must be pre-approved by the Commission. The remaining fourteen (14) hours of education must be obtained in a classroom setting. No exam is required. Proof of completion must be supplied by the course provider to the licensee and submitted by the licensee upon renewal.

14. The Commission may grant a licensee continuing education credit toward the licensee's next renewal period for approved seminars/courses taken within the thirty (30) day period prior to a licensee's expiration date, provided that the licensee did not use the continuing education for the previous renewal.

15. Rule 1255-1-12(4) authorizes a \$100 late fee for renewals not received at least thirty(30) days prior to the expiration of the license or certificate holder's license. The Commission, on a case-by-case basis, may provide for a waiver of the late fee based upon extraordinary circumstances.

16. A registered trainee who takes the certified residential real estate appraiser examination prior to receiving all of the experience required for the certified residential classification must be certified within twenty-four (24) months of the approval to take the exam.

17. Distance education courses must have either been approved through the AQB or the course design and delivery mechanism approved through the International Distance Certification Center (IDECC).

18. Experience credit may not be granted for textbook authorship or published articles.

19. All USPAP courses taken must be the National USPAP course or its equivalent as approved by the AQB.

COMMUNICATION

The Commission continues to seek ways to better communicate with the licensees and meet their needs. To assist in this endeavor, we ask that you respond to some questions as well as provide information for statistical data.

Name: _____ E-Mail Address _____

Business Location (City and State): _____

Is your business name and address current on the Internet?

www.state.tn.us/cgi-bin/commerce/roster2.pl If not, please submit a Change of Information Form with applicable changes. There is a \$25 fee for active licensees but no fee for trainees or inactive licensees.

Birthdate: _____

Rank (Please mark one)

Licensed Appraiser ☐
Certified Residential Appraiser ☐
Certified General Appraiser ☐
Inactive Status ☐
Registered Trainee ☐

Would you read the newsletter if received via-email? Yes ☐ No ☐

Would you like to receive any pertinent actions taken by the Commission via-email? Yes ☐ No ☐

How often do you visit the Commission web site?

www.state.tn.us/commerce/boards/treac Frequently ☐ Occasionally ☐ Rarely ☐ Never ☐

What kinds of information would you like to see on the web site?

Please fax (253-1692) e-mail (ce.treac@state.tn.us), or mail (500 James Robertson Parkway, Suite 620, Nashville, TN 37243) this questionnaire.

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The Tennessee Department of Commerce and Insurance is committed to principles of equal opportunity, equal access, and affirmative action. Contact the EEO Coordinator or ADA Coordinator (615) 741-0481, for TDD (615) 741-7190.

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Members of the Commission

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